



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERE-RP (405)

17 August 1995

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Homeowners Assistance Program (HAP) - Assumable
Mortgages

1. In the past when loans were assumed, they were sometimes resold by HUD with the loan intact. In some instances, these resold mortgages have had subsequent foreclosures. (The purchaser has defaulted on the loan.) Since HUD is no longer in the HAP business, we have been handling the disposition of these loans at the headquarter's level.

2. While we do not anticipate reselling any of our current or future properties with the loans intact, we must consider how to handle them if for some reason we are forced into the situation. Additionally, any of those homes previously sold with assumable loans must be addressed.

3. As of 1 October 1995, all subsequent foreclosures will be handled by the appropriate District office. They will be handled in the same way you handle foreclosures now. After sale of the property, any deficiency will be paid.

4. There should not be any taxable liability to the original applicant as we've already settled with them.

FOR THE DIRECTOR:

DON C. CHAPMAN
Chief, Realty Services Division
Directorate of Real Estate

DISTRIBUTION:

COMMANDER

MISSOURI RIVER DIVISION, ATTN: CEMRD-RE

NORTH ATLANTIC DIVISION, ATTN: CENAD-RE

OHIO RIVER DIVISION, ATTN: CEORD-RE

SOUTH ATLANTIC DIVISION, ATTN: CESAD-RE

SOUTH PACIFIC DIVISION, ATTN: CESPd-RE

SOUTHWESTERN DIVISION, ATTN: CESWD-RE

OMAHA DISTRICT, ATTN: CEMRO-RE

BALTIMORE DISTRICT, ATTN: CENAB-RE

CERE-RP (405)

17 August 1995

SUBJECT: Homeowners Assistance Program (HAP) - Assumable
Mortgages

DISTRIBUTION: (Continued)

LOUISVILLE DISTRICT, ATTN: CEORL-RE

SAVANNAH DISTRICT, ATTN: CESAS-RE

SACRAMENTO DISTRICT, ATTN: CESP-RE

FORT WORTH DISTRICT, ATTN: CESWF-RE